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Chief, Planning & Review Staff

5 August 1955

Chief, Materials Division

External Research Project, Strategic Division, [REDACTED]

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1. All of the listed projects having a bearing on the mission of this Division are of interest to us, and would produce useful information. However, none are of first priority importance. Specifically we are interested in Projects 1, 2, 3, 4, 5, 8a, 8c, 11, and 13. Project 8 would be of particular value if good information were provided on the availability and cost of D/M commodities.

2. Some additional projects which would be useful to this Division are as follows:

a. A study or studies of the quantity and cost of inputs into D/M industries, of their pricing policy, and of selling prices of their output. Also distribution of output by consuming sector. Studies of the quantity and cost of inputs are particularly desired for iron and steel, electric power, and liquid fuels. Studies of pricing policy and actual prices are particularly needed for electric power, and chemicals. Studies of consumption are particularly required for nonferrous metals, electric power, and liquid fuels.

b. Additional agricultural information could include: Livestock production and inventory, capacity and location of storage facilities, current and potential production and use of fertilizer, feeding rates and feeding techniques, feed-growth ratios, and slaughter weights of livestock.

3. We would attach highest priority to projects 1 and 2 and to Project 5 as it relates to nonferrous metals. The priority for the remainder of the projects would be roughly equal.

4. We have not had time, in view of the late receipt (2 August) of the referenced memo, to prepare project outlines. We feel, in any event, that such outlines are premature. Would you please advise whether such outlines are deemed indispensable ingredients for further progress?

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SUBJECT: External Research Project, Strategic Division, [REDACTED]

5. I feel strongly that supervision of the proposed research should be thorough and that advance planning should be comprehensive and complete. We should insist that the researchers follow scholarly procedures in the collection and evaluation of material, and particularly in documentation. It is clear that if statements of fact are not adequately sourced and if the methods used to arrive at conclusions are not explained, it is impossible for analysts here to determine the validity of the research, particularly if the methods of treatment and conclusions reached are different from ours. Indeed, these considerations make one hesitate to endorse the program of an unknown organization on the basis on project titles alone.

6. In general, we would be more eager to receive research on some of the other Satellites or the USSR than on East Germany. We suggest that the possibility of such research be explored.

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D/M/RR/LM:rar/3011 (4 Aug 55)

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